

CABINET

Wednesday, 13 May 2015 at 5.30 p.m.

C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London,
E14 2BG

The meeting is open to the public to attend.

Members:

| | |
|---------------------------|--|
| Councillor Oliur Rahman | (Deputy Mayor and Cabinet Member for Economic Development (Jobs, Skills and Enterprise)) |
| Councillor Ohid Ahmed | (Cabinet Member for Community Safety) |
| Councillor Shahed Ali | (Cabinet Member for Clean and Green) |
| Councillor Abdul Asad | (Cabinet Member for Health and Adult Services) |
| Councillor Shafiqul Haque | (Cabinet Member for Culture) |
| Councillor Rabina Khan | (Cabinet Member for Housing and Development) |
| Councillor Aminur Khan | (Cabinet Member for Policy, Strategy and Performance) |
| Councillor Gulam Robbani | (Cabinet Member for Education and Children's Services) |

[The quorum for Cabinet is 3 Members]

Public Information:

The public are welcome to attend meetings of the Cabinet. Procedures relating to the Public Question and Answer session and submission of petitions are set out in the 'Guide to Cabinet' attached to this agenda.

Contact for further enquiries:

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Web: <http://www.towerhamlets.gov.uk/committee>

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Public Information

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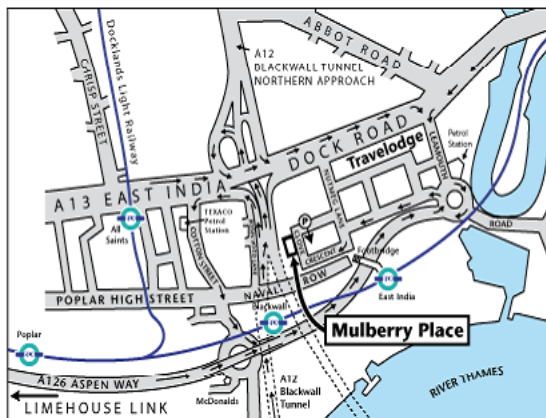
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QR code for smart phone users

A Guide to CABINET

Decision Making at Tower Hamlets

At the current time, Executive Decision Powers are held collectively by the Cabinet.

Which decisions are taken by Cabinet?

Executive decisions are all decisions that aren't specifically reserved for other bodies (such as Development or Licensing Committees). In particular, Executive Key Decisions are taken by the Cabinet.

The constitution describes Key Decisions as an executive decision which is likely

- a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the borough.

Upcoming Key Decisions are published on the website on the 'Forthcoming Decisions' page through www.towerhamlets.gov.uk/committee

Published Decisions and Call-Ins

Once the meeting decisions have been published, any 5 Councillors may submit a Call-In to the Service Head, Democratic Services requesting that a decision be reviewed. This halts the decision until it has been reconsidered.

- The decisions will be published on: **Friday, 15 May 2015**
- The deadline for call-ins is: **Friday, 22 May 2015**

Any Call-Ins will be considered at the next meeting of the Overview and Scrutiny Committee. The Committee can reject the call-in or they can agree it and refer the decision back to the Cabinet, with their recommendations, for final consideration.

Public Engagement at Cabinet

The main focus of Cabinet is as a decision-making body. However there are opportunities for the public to contribute.

1. Public Question and Answer Session

Before the formal Cabinet business is considered, up to 15 minutes are available for public questions on any items of business on the agenda. Please send questions to the clerk to Cabinet (details on the front page) by **5pm the day before the meeting**.

2. Petitions

A petition relating to any item on the agenda and containing at least 30 signatures of people who work, study or live in the borough can be submitted for consideration at the meeting. Petitions must be submitted to the clerk to Cabinet (details on the front page) by: **Thursday, 7 May 2015 (Noon)**

LONDON BOROUGH OF TOWER HAMLETS

CABINET

WEDNESDAY, 13 MAY 2015

5.30 p.m.

PUBLIC QUESTION AND ANSWER SESSION

There will be an opportunity (up to 15 minutes) for members of the public to put questions to Cabinet members before the Cabinet commences its consideration of the substantive business set out in the agenda.

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS (Pages 1 - 4)

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer.

3. UNRESTRICTED MINUTES

| PAGE NUMBER | WARD(S) AFFECTED |
|----------------|---------------------|
| 5 - 14 | |

The unrestricted minutes of the Cabinet meeting held on Wednesday 8 April 2015 are presented for information.

4. PETITIONS

To receive any petitions.

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions in Relation to Unrestricted Business to be Considered

5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee

(Under provisions of Article 6 Para 6.02 V of the Constitution).

UNRESTRICTED REPORTS FOR CONSIDERATION

6. A GREAT PLACE TO LIVE

Nil Items

7. A PROSPEROUS COMMUNITY

- | | | | |
|-----|--|---------|-----------------------|
| 7.1 | Education, Social Care and Wellbeing Capital Programme 2015/16 | 15 - 32 | All Wards |
| 7.2 | Primary School Places Programme | 33 - 50 | Bow East; Lansbury |

8. A SAFE AND COHESIVE COMMUNITY

Nil Items

9. A HEALTHY AND SUPPORTIVE COMMUNITY

Nil Items

10. ONE TOWER HAMLETS

Nil Items

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

12. UNRESTRICTED REPORTS FOR INFORMATION

- | | | | |
|------|--|---------|-----------|
| 12.1 | Exercise of Corporate Directors' Discretions | 51 - 56 | All Wards |
|------|--|---------|-----------|

13. EXCLUSION OF THE PRESS AND PUBLIC

In view of the contents of the remaining items on the agenda, the Committee is recommended to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the Press and Public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government, Act 1972”.

EXEMPT/CONFIDENTIAL SECTION (PINK)

The Exempt / Confidential (Pink) Committee papers in the Agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

14. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

15. OVERVIEW & SCRUTINY COMMITTEE

15 .1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business to be Considered.

15 .2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

(Under provisions of Article 6 Para 6.02 V of the Constitution).

EXEMPT / CONFIDENTIAL REPORTS FOR CONSIDERATION

16. A GREAT PLACE TO LIVE

Nil items.

17. A PROSPEROUS COMMUNITY

Nil items.

18. A SAFE AND COHESIVE COMMUNITY

Nil items.

19. A HEALTHY AND SUPPORTIVE COMMUNITY

Nil items.

20. ONE TOWER HAMLETS

Nil items.

21. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT

22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil items.

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

- Meic Sullivan-Gould, Interim Monitoring Officer, 020 7364 4800
- John Williams, Service Head, Democratic Services, 020 7364 4204

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

| Subject | Prescribed description |
|---|---|
| Employment, office, trade, profession or vacation | Any employment, office, trade, profession or vocation carried on for profit or gain. |
| Sponsorship | <p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p> |
| Contracts | <p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p> |
| Land | Any beneficial interest in land which is within the area of the relevant authority. |
| Licences | Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer. |
| Corporate tenancies | <p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p> |
| Securities | <p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p> |

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE CABINET

HELD AT 5.31 P.M. ON WEDNESDAY, 8 APRIL 2015

**C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON, E14 2BG**

Members Present:

Mayor Lutfur Rahman
Councillor Oliur Rahman (Deputy Mayor and Cabinet Member for Economic Development (Jobs, Skills and Enterprise)
Councillor Abdul Asad (Cabinet Member for Health and Adult Services)
Councillor Alibor Choudhury (Cabinet Member for Resources)
Councillor Shafiqul Haque (Cabinet Member for Culture)
Councillor Rabina Khan (Cabinet Member for Housing and Development)
Councillor Aminur Khan (Cabinet Member for Policy, Strategy and Performance)

Other Councillors Present:

Councillor Suluk Ahmed
Councillor Shah Alam
Councillor Marc Francis
Councillor Peter Golds (Leader of the Conservative Group)
Councillor Muhammad Ansar Mustaquim
Councillor Joshua Peck

Apologies:

Councillor Ohid Ahmed (Cabinet Member for Community Safety)
Councillor Shahed Ali (Cabinet Member for Clean and Green)
Councillor Gulam Robbani (Cabinet Member for Education and Children's Services)

Officers Present:

Stephen Adams (Finance and Resources Manager, Communities Localities & Culture)
Robin Beattie (Service Head, Strategy & Resources, Communities Localities & Culture)
Anne-Marie Berni (Infrastructure Planning Manager, Planning & Building Control, Development & Renewal)
Kate Bingham (Service Head, Resources, Education Social Care and Wellbeing)
Aman Dalvi (Corporate Director, Development & Renewal)
David Galpin (Service Head, Legal Services, Law Probity & Governance)

| | |
|--------------------|--|
| Andrew Hargreaves | (Borough Conservation Officer, Development and Renewal) |
| Chris Holme | (Acting Corporate Director - Resources) |
| Ellie Kuper-Thomas | (Strategy, Policy and Performance Officer - Executive Mayor's Office, One Tower Hamlets, DLPG) |
| Andy Mace | (Development Manager, Major Project Development, Development & Renewal) |
| Kevin Miles | (Chief Accountant, Resources) |
| Jackie Odunoye | (Service Head, Strategy, Regeneration & Sustainability, Development and Renewal) |
| Ann Sutcliffe | (Service Head Corporate Property and Capital Delivery, Development and Renewal) |
| David Williams | (Deputy Service Head, Planning and Building Control, Development & Renewal) |
| Kevin Kewin | (Service Manager, Strategy & Performance) |
| Matthew Vaughan | (Political Adviser to the Conservative Group) |
| Matthew Mannion | (Committee Services Manager, Democratic Services, LPG) |

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Ohid Ahmed (Cabinet Member for Community Safety)
- Councillor Shahed Ali (Cabinet Member for Clean and Green)
- Councillor Gulam Robbani (Cabinet Member for Education and Children's Services)
- Stephen Halsey (Head of Paid Service, Corporate Director, Communities, Localities and Culture)
- Robert McCulloch-Graham (Corporate Director, Education, Social Care and Wellbeing)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS

None were declared.

3. UNRESTRICTED MINUTES

The unrestricted minutes of the Cabinet meeting held on 4 March 2015 were **tabled** and noted.

4. PETITIONS

Petition in relation to Agenda Item 6.4 (Challenge Session Report: The implications of conservation areas for extension of family homes)

Jude Dutnall presented the petition on behalf of the petitioners highlighting the difficulties home owners were experiencing due to the restrictions placed on them due to the conservation area. In particular they expressed concerns that families were leaving the area as they were unable to extend their homes and

that this was having a detrimental impact on the community. Whilst conservation areas were important they were looking for more flexibility in the rules.

After consideration by Members, Councillor Rabina Khan, Cabinet Member for Housing and Development, responded to the points raised. She thanked the petitioners for raising their concerns and agreed that this was an issue that needed looking at and that residents would be involved in drawing up new proposals through workshops or other events. She highlighted that the related report on the agenda contained a number of recommendations looking to deal with these issues.

RESOLVED

1. That the petition be referred to the Corporate Director, Development and Renewal, for a written response on any outstanding matters within 28 days.

[Note – this petition was considered at the same time as agenda item 6.4 (Challenge Session Report: The implications of conservation areas on the extension of family homes).]

5. OVERVIEW & SCRUTINY COMMITTEE

5.1 Chair's Advice of Key Issues or Questions in Relation to Unrestricted Business to be Considered

Councillor Joshua Peck, Chair of the Overview and Scrutiny Committee (OSC), **tabled** pre-scrutiny questions in respect of agenda items 6.1 (Delivery/Procurement options for the new Civic Centre) and 6.3 (Property Procedures for Disposals and Lettings). Members and officers responded to the points raised during discussion of the relevant reports.

He also provided an update on the OSC meeting the previous evening. In particular, he reported that there had been a good Scrutiny Spotlight session involving Circle Housing and Old Ford looking at residents' concerns around repairs, engagement and other issues. He said improvement proposals had been offered and he asked the Mayor to help push to ensure that poor performing RSAs were successfully challenged to improve.

The **Mayor** thanked Councillor Joshua Peck for his update. He stated that, in respect of Registered Social Landlords (RSLs), he had made clear to them his concerns and that residents needs must come first.

5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee

Allocations Scheme 2015 and Lettings Plan (Cabinet decision 4 March 2015)

The Call-in report from the Overview and Scrutiny Committee meeting held on Tuesday 7 April 2015 was **tabled** by Councillor Joshua Peck, Chair of the Overview and Scrutiny Committee and Councillor Marc Francis.

The concerns of the Overview and Scrutiny Committee were reported and the Mayor was asked to reconsider the decision to reduce the Band 3 quota to 5%.

Councillor Rabina Khan, Cabinet Member for Housing and Development, responded to the report highlighting that the 10% target had only been intended to be for a short period and that moving to a 5% target would be reverting to the original.

The **Mayor** thanked all who had been involved in the discussions around this issue. He stated that having considered the matter he had decided to retain the 10% target for another year and to then review it.

RESOLVED

1. That the original decision be confirmed subject to an amendment to retain the existing 10% quota for Band 3 applicants for a further 12 months to be reviewed at that time.

6. A GREAT PLACE TO LIVE

6.1 Delivery/procurement options for the new civic centre

The Equality Analysis Quality Assurance Checklist was **tabled**.

Councillor Alibor Choudhury, Cabinet Member for Resources, introduced the report. He highlighted the capital estimates and the different procurement options set out in the report. He stated that he felt the framework listed in Option one would be restrictive and that the Council should instead choose Option 2 with the development and disposals procured via OJEU (Official Journal of the European Union tender process).

Ann Sutcliffe, Service Head, Corporate Property and Capital Delivery responded to the Pre-Scrutiny Questions tabled at the meeting.

Cabinet Members then discussed the report expressing general support for the proposals and the opportunity this presented the Borough to improve the Whitechapel area whilst at the same time providing a more accessible Civic Centre.

The **Mayor** welcomed the report as a once in a generational opportunity. He acknowledged that with any project this size there would be risks and challenges and it was important to consider those. However, he considered that the Council was capable of delivering this project. He agreed with the proposed amendment to recommendations proposed by Councillor Alibor Choudhury to choose Option Two and then **agreed** the amended recommendations.

RESOLVED

1. To agree option 2 as set out in paragraph 2.3 of the report, namely a packaged development and disposals procured via OJEU.
2. To adopt a capital estimate of £2.5 million to undertake investigations and complete the design to RIBA stage 2 and procure a delivery partner based on the chosen model of delivery;
3. To authorise the procurement of the required professional and technical services to undertake the work to RIBA stage 2 utilising, if available, suitable procurement frameworks available to the public sector;
4. To agree disposal of sites identified in paragraph 3.11 of this report in accordance with the Council's disposal procedure and with the requirements of section 123 of the Local Government Act 1972;
5. To note the requirement to obtain the prior approval of the Commissioners appointed by the Secretary of State prior to disposal of the sites identified in paragraph 3.11.
6. To authorise the Corporate Director, Development and Renewal, following consultation with the Service Head – Legal Services, to agree and enter into the terms and conditions of any agreements required to implement recommendations 1, 2, 3 and 4 in order to progress the civic centre project.
7. To authorise the Service Head – Legal Services to execute all documents necessary to give effect to these recommendations.

6.2 Delegation to the Transport and Environment Committee and Third Variation to the Association of the London Government Transport and Environment Committee Agreement

An amended Appendix 2 was **tabled**.

David Galpin, Service Head, Legal Services, introduced the report. He explained that the report sought continued Council support to the operation of the Parking on Private Land Appeals Service operated through London Councils.

The **Mayor agreed** the recommendations as set out in the report.

RESOLVED

1. To confirm that the functions delegated to TEC to enter into the arrangement with the British Parking Association were and continue to be delivered pursuant to section 1 of the Localism Act 2011 (“the 2011 Act”);
2. To agree to expressly delegate the exercise of the Council’s general power of competence under section 1 of the 2011 Act to the TEC joint committee for the sole purpose of providing an appeals service for parking on private land for the British Parking Association under contract; and
3. To agree that the TEC Governing Agreement can be varied to this end and the Memorandum of Participation to vary the TEC Governing Agreement can be entered into.

6.3 Property Procedures for Disposals and Lettings

Councillor Alibor Choudhury, Cabinet Member for Resources, introduced the report. He stated that the policy review set out a number of proposed improvements to processes. The **tabled** pre-scrutiny questions were noted and it was proposed that, as there were so many of them, officers would be tasked with reviewing them and responding as necessary.

The **Mayor** agreed the recommendations as set out with the understanding that officers could update the procedures if required following a review of the pre-scrutiny questions.

RESOLVED

1. To approve the revised Property Procedure for Disposal and Lettings.
2. To authorise the corporate director to incorporate such of the suggestions of the Overview and Scrutiny Committee as are considered appropriate and otherwise to provide written responses to the matters raised by the Committee.
3. To note the requirement for approval from the Commissioners, set out in paragraph 5.6 of the report.

6.4 Challenge Session Report: The implications of conservation areas for extension of family homes

Councillor Joshua Peck, Chair of the Overview and Scrutiny Committee, introduced the report on the scrutiny challenge session considering issues in relation to the implications of conservation areas for extension of family homes. He reported that this had been taken up due to the high number of resident who had raised it as a concern.

He stated that officers and Members were concerned about the impact the existing rules were having and he thanked officers, Members of the Overview and Scrutiny Committee and Councillor Rabina Khan, Cabinet Member for Housing and Development for their work to support the challenge session. He stated that this was a very good example of cross-party working.

The **Mayor** thanked Councillors Joshua Peck and Rabina Khan and all those involved in preparing the report. He stated that he shared the concerns and that he accepted the action plan set out.

RESOLVED

1. To agree the action plan in response to the review recommendations.

6.5 Consultation on draft Revised Planning Obligations SPD

Councillor Rabina Khan, Cabinet Member for Housing and Development introduced the report and **tabled** a number of small amendments.

The **Mayor** welcomed the report and **agreed** the recommendations and the SPD subject to the tabled amendments.

RESOLVED

1. To approve the Revised Planning Obligations SPD (as set out in Appendix 1 of the report), for public consultation.
2. To delegate authority to the Corporate Director of Development and Renewal, to make changes to the Revised Planning Obligations SPD where necessary, prior to the beginning of the consultation period provided the changes do not change the substance of the document.

7. A PROSPEROUS COMMUNITY

7.1 CLC Capital Programme 2015/16

Robin Beattie, Service Head Strategy and Resources, CLC, introduced the report providing an update on the Communities, Localities and Culture Capital Programme for 2015/16. He highlighted that there had been some small amendments recently due to s106 and Transport for London funding.

The **Mayor agreed** the recommendations as set out in the report.

RESOLVED

1. To include the schemes listed in Appendix A to the report within the Communities Localities & Cultural Services Directorate's 2015/2016 Capital Programme.
2. To adopt Capital Estimates (sum specified in estimated scheme cost column, inclusive of fees) for the schemes as outlined in Appendix A to the report.
3. To agree that where possible the Council's Measured Term Contracts be used for the implementation of the Transport and Highways Works as appropriate

8. A SAFE AND COHESIVE COMMUNITY

Nil items.

9. A HEALTHY AND SUPPORTIVE COMMUNITY**9.1 Adult Social Care Local Account**

Councillor Abdul Asad, Cabinet Member for Health and Adult Services, introduced the report. He highlighted that this was an annual report setting out performance of the service including looking at data from service users. He reported that the Council were protecting adult social care spending which had now risen to 36% of the Council's budget. Finally, he noted the priorities for the next year as set out in the report.

The **Mayor agreed** the recommendation as set out in the report.

RESOLVED

1. To note the content and approve the publication of the Local Account.

10. ONE TOWER HAMLETS**10.1 Strategic Plan 2015/16**

Councillor Aminur Khan, Cabinet Member for Policy, Strategy and Performance, introduced the report. He highlighted that Cabinet Members had been fully involved in its preparation.

The **Mayor** acknowledged that significant work had gone into the preparation of the report and thanked all those involved and especially the Lead Member. He **agreed** the recommendations as set out.

RESOLVED

1. To approve the draft Strategic Plan (appendices 1 and 2 to the report)
2. To approve the draft Single Equality Framework (appendix 3 to the report)

10.2 Strategic Performance, 14/15 General Fund Revenue Budget and Capital Programme Monitoring Q3

Chris Holme, Acting Corporate Director, Resources, introduced the report. In particular he noted that the financial position remained sound and that the previous overspend in adult social care had been addressed but that there would continue to be pressures in the future due to increased demand.

Councillor Aminur Khan, Cabinet Member for Policy, Strategy and Performance, highlighted that most performance measures were on target and that weaker areas were being tackled.

The **Mayor agreed** the recommendations as set out.

RESOLVED

1. To note the Council's financial performance compared to budget for 2014/15 as detailed in Sections 3 to 6 and Appendices 1-4 of the report
2. To approve the use of specific reserves set aside for ICT infrastructure works as set out in paragraph 4.7 of the report.
3. To note the 2014/15 quarter 3 performance for reportable Strategic Measures in section 7 and Appendix 5 to the report.

11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT

Nil items.

12. UNRESTRICTED REPORTS FOR INFORMATION

Nil items.

13. EXCLUSION OF THE PRESS AND PUBLIC

Nil items.

14. EXEMPT / CONFIDENTIAL MINUTES

Nil items.

15. OVERVIEW & SCRUTINY COMMITTEE

15.1 Chair's Advice of Key Issues or Questions in Relation to Exempt / Confidential Business to be Considered.

Nil items.

15.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee

Nil items.

16. A GREAT PLACE TO LIVE

Nil items.

17. A PROSPEROUS COMMUNITY

Nil items.

18. A SAFE AND COHESIVE COMMUNITY

Nil items.

19. A HEALTHY AND SUPPORTIVE COMMUNITY

Nil items.

20. ONE TOWER HAMLETS

Nil items.

21. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT


Nil items.

22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION

Nil items.

The meeting ended at 6.34 p.m.

John S. Williams
SERVICE HEAD, DEMOCRATIC SERVICES

| | |
|--|---|
| <p>Cabinet 13 May 2015</p> |  TOWER HAMLETS |
| <p>Report of: Robert McCulloch-Graham Corporate Director Education, Social Care and Wellbeing</p> | <p>Classification: Unrestricted</p> |
| <p>2015/18 Education, Social Care and Wellbeing Capital Programme</p> | |

| | |
|-----------------------------|---|
| Lead Member | Cllr. Gulam Robbani, Cabinet Member for Education and Children’s Services |
| Wards affected | All |
| Community Plan Theme | A Prosperous Community |
| Key Decision? | Yes |

Executive Summary

This report advises Cabinet on the 2015/18 Education, Social Care and Wellbeing (ESCW) Capital Programme and seeks various approvals as set out in the report.

Recommendations:

The Cabinet is recommended to:

1. Note the contents of this report and specifically the anticipated out-turn for the 2014/15 ESCW Capital Programme (detailed in Appendix A) and proposed allocation of the funding available in 2015/18 (as detailed in Appendix B);
2. Approve the adoption of capital estimates for the 2015/16 capital condition and improvement programme schemes in schools and service premises as shown in Appendix C (Schools and Children’s Services) and Appendix D (Adult Services) and authorise expenditure;
3. Approve the adoption of a capital estimate of £350,000 for the additional dining accommodation at Oaklands School;
4. Note the completed projects within the Primary Capital Programme (PCP) schemes as shown in Appendix D;
5. Note the Primary School Expansion Programme as detailed in Appendix E;
6. Approve the adoption of a capital estimate of £750,000 to cover the costs of developing proposals to be considered for inclusion in the capital programme and authorise expenditure;
7. Approve the adoption of a capital estimate of £300,000 for the costs of providing additional short term accommodation if required for additional pupils

until major works have been carried out to provide permanent additional school places and authorise expenditure;

8. Note progress with creating early education provision and further consultation with providers as shown in Appendix D;
9. Note the proposed procurement approach for the capital works to provide 6th form accommodation at Stepney Green School (paragraph 3.55);
10. Agree that Council-approved Frameworks be used, where appropriate, to deliver the various projects within the approved programmes;
11. Authorise the Corporate Director of ESCW, in respect of all proposed tenders referred to in this report, to agree tenders for projects within the approved programmes and capital estimate;
12. Authorise the Corporate Director of ESCW to prepare and carry out a Bill of Reductions for any scheme exceeding the approved budget, where relevant to ensure expenditure is contained within the agreed costs

1. REASONS FOR THE DECISIONS

- 1.1 The Local Authority (LA) has a responsibility to maintain its properties to ensure that they are safe and secure for staff and users. In the case of schools, the LA also has a statutory responsibility to provide sufficient places for children and young people of school age. Cabinet is asked to note the programme and approve the adoption of the capital estimates so that the required works can proceed.
- 1.2 A separate report on this agenda deals with proposals for new projects to provide primary school places. Subject to decisions on that report, the projects will be included in the ESCW capital programme.

2. ALTERNATIVE OPTIONS

- 2.1 When identifying which works to include within the capital programme, alternative options are always considered. This is to ensure that the projects both meet value for money and address the needs identified. Expansion projects are recommended following options appraisals and to select the options which best meet the location needs of the rising school age population.

3. DETAILS OF REPORT

3.1 Allocations and Funding

- 3.2 In the 4th February 2015 Report to Cabinet on the Council's capital position, Members were advised on the ESCW capital programme for 2015/16 to 2017/18, based upon the anticipated out-turn for 2014/15. The commitments and funding for 2015/16 to 2017/18 amounted to £57.658m.
 - 3.3 The carry forward for 2014/15 is expected to be £24.987m (see Appendix A), from the total Resources available of £46.428m. This together with the expected further funding, including the allocations in paragraph 3.4, makes the total amount available for 2015/16 to 2017/18 of £74.543m (Appendix B).
 - 3.4 Confirmation has now been received from the government on the Capital Maintenance grant for 2015/16. The amount for community schools in Tower Hamlets for 2015/16 is £3.2m, with similar amounts in 2016/17 and 2017/18. An additional £3.162m has also been announced for Basic Need in 2017/18. This is in addition to the Basic Need capital grant for 2015 to 2017, amounting to £21.328m
- ### **3.5 Capital Condition and Improvement Projects 2015/16**
- 3.6 The projects at schools and other premises that are proposed to be included within the programme for Schools and Children's Services are listed in **Appendix C**. Projects are included on the basis that they are necessary to rectify serious building or supply faults to ensure safe and continued operation of premises by users, to meet statutory requirements eg. accessibility, fire protection, etc. or service improvements.

- 3.7 **Appendix D** includes projects for Adults Services. Further projects for adult services properties are being developed and will either be funded from the remaining unallocated Adult Personal Social Services capital grant or subject to bids against the funds within the Better Care Fund.
- 3.8 Where appropriate Council approved Frameworks will be used to deliver the various projects within the approved programmes.
- 3.9 Oaklands School – Additional Dining Facilities**
- 3.10 The School has the capacity for 4 Forms of Entry, which allows for up to 600 students, and a Sixth Form. With the increasing number of students choosing to join the Sixth Form this is putting some pressure on the existing facilities, particularly the dining accommodation.
- 3.11 The current dining area is slightly below the size required for a 4 Forms of Entry secondary school. However, the school have been able to manage because of the number of students actually having a hot meal. More recently, with the increasing number of students having a hot meal and also the increase in the number of students staying on into the Sixth Form, the existing dining hall is not able to accommodate all the students. The school has maximised efficiency as far as possible by phasing of the lunchtimes for the year groups.
- 3.12 To provide the additional space required for the students having a hot meal, the school have made temporary arrangements to use makeshift areas around the building and classrooms. This is causing increasing problems for the school both in additional supervision and cleaning costs, as well as health and safety issues in transporting the meals to these areas.
- 3.13 The school has two blocks. A proposal has been developed to provide an additional dining area on the roof of the block which includes the existing kitchen and dining facilities. There is already a lift near to allow the hot meals to be taken up to the new facility. Although the facility will be used for dining during the lunch period, it would also provide other uses for the school during the school day and the opportunity for community use after school. Planning permission will be sought with the aim to complete the new accommodation for September 2015.
- 3.14 The estimated cost of the new facility is £350,000 and the school has agreed to contribute one third of the cost. It is recommended that a capital estimate of £350,000 is adopted to provide the additional facility to be funded from the Capital Maintenance grant and the school's contribution.
- 3.15 Primary Capital Programme (PCP)**
- 3.16 The PCP has been completed. The remaining projects are where final accounts are being agreed and the expected costs are listed in Appendix D.

3.17 Primary School Expansion Projects (Appendix E)

- 3.18 In 2014 Cabinet approved funding for a number of projects within the Primary School Expansion programme amounting to £67.440m. The work at Stebon Primary school has been completed.
- 3.19 The development of the St Paul's Way Trust School to provide 2 Forms of Entry primary provision is progressing. In September 2014, two Reception classes were provided in temporary accommodation, which also has provision for Year 1 classes from September 2015. Accommodation within the new school will be available by September 2016 so that the temporary accommodation can be removed.
- 3.20 The scheme costs for the permanent accommodation are now being assessed based on tenders.
- 3.21 A separate report on this agenda refers to the provision of additional primary school places at the Former Bromley Hall School site and the former Bow Boys' School site. The financial provision noted in Appendix E is subject to decisions on that report.

3.22 Project Development and Provision for Temporary Accommodation

- 3.23 There is a need to continue with development of a number of proposals to provide additional capacity. Feasibility studies will continue to be undertaken to develop the programme. It is proposed to recommend to Cabinet that a sum of £750,000 is included in the programme to fund the feasibility studies and scheme development. Schemes will then be brought back to Cabinet for approval to implement.
- 3.24 In the short term it may be necessary to identify suitable school sites to locate the additional pupils in temporary accommodation until major works have been completed to provide the places needed in the longer term. It is recommended that a sum of £300,000 is included in the programme as a financial provision.
- 3.25 With both the above allocations, where funds are not required they will be included in the main programme for re-allocation.

3.26 Early Education Provision

- 3.27 The projects that have already been approved as part of the provision are listed in Appendix D. Consultation is taking place with providers to develop further provision and formal approval will be requested in due course.

3.28 Stepney Green – Sixth Form Extension

- 3.29 The ESCW Capital Programme report to Cabinet in July 2014 recommended the adoption of a capital estimate to provide a new block to accommodate the 6th form. Because the site is included in the Grouped Schools PFI contract, we will work with THSL (Tower Hamlets Schools Ltd) to procure capital works. This is a model used for other sites in the contract, such as the works to

rebuild Olga School. The contractor has a long term interest in the site (until 2027). The cooperation and consent of the PFI contractor and its funders is required in order to carry out the building works and so the PFI contractor will act as the Council's agent to procure works and appoint a construction contractor following a competitive tender. This ensures that the scheme is jointly developed. Using an alternative contractor for the works would take more time and create additional costs for the Council in obtaining the relevant consents. It could also lead to potential contractual disputes during the works and in the subsequent delivery of ongoing facilities management services.

- 3.30 The Council and THSL will enter into a deed of variation to the contract for the terms of the works. The Council will assess the value for money of the construction works before completing the agreement. As part of the procurement process, the Council will set out local supply chain and local employment requirements comparable to the requirements of the Council's own procurements.
- 3.31 Procurement of the capital works by this method includes agreement with THSL on any adjustment to the ongoing charges and services for the property. This takes account of the enhancement of the property as well as any increase or decrease in the overall floor area. The school pays the ongoing services charges from its budget.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Education Social Care and Wellbeing capital budget for 2015/16 to 2017/18 of £57.658m was agreed at Cabinet on 4th February 2015. The budget reflected the profiled position based on spending to the end of quarter 3 2014/15 and expected government grants known at that point in time.
- 4.2 This report now provides an update on the budget to reflect the quarter 4 2014/15 spend, known government grants for 2015/16 to 2017/18 and any further changes either affecting the profile of spend or the priorities. Appendix B proposes the allocation of funding in light of more recent information.
- 4.3 The effect of the changes discussed in 4.1 in relation to 2015/16 is an overall increase in funding of £3.571m from the MTFP position of £26.404m reported to cabinet in February 2015. The spending plans currently developed for 2015/16 are to the value of £24.757m and reports seeking the requisite approval for individual schemes will come to cabinet as required. A separate report on this agenda deals with proposals for new projects to provide primary school places

5. LEGAL COMMENTS

- 5.1. The Council's chief finance officer, for the purposes of section 151 of the Local Government Act 1972, has put in place financial regulations and procedures for the proper administration of the Council's financial affairs. Pursuant to financial procedures FP 3.3(5) and 3.3(6), senior managers may only proceed with projects when there is a capital estimate adopted and

adequate capital resources have been identified. Cabinet must approve capital estimates in excess of £250,000.

- 5.2. Before the capital programme is agreed, the Cabinet should be satisfied that the projects are capable of being carried out within the Council's statutory functions. As the projects are concerned with works to schools, this appears generally to be the case, having regard both to the Council's duty under the Education Act 1996 to provide sufficient schools for Tower Hamlets and its associated obligations to maintain such schools. However, each project should be subjected to scrutiny in respect of the Council's specific relevant powers prior to any tendering commencing.
- 5.3. Any required capital finance for the projects should be treated in accordance with the requirements of Part 1 of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. These regulations determine how capital financing and in particular borrowing relating thereto should be dealt with by the Council including but not exclusively the setting of maximum borrowing limits in respect of each Council as a whole. In effect the main purpose is to ring fence monies deemed to be capital receipts to ensure that they are subsequently spent on items which count as capital expenditure.
- 5.4. It will be the responsibility of officers to ensure that individual projects are carried out lawfully within the Council's statutory functions. This will include complying with the terms of any related funding agreements and or complying with the terms and ring fencing of any funds received from central government for a particular purpose.
- 5.5. Officers will need to ensure the Council complies with its obligation as a best value authority within the meaning of the Local Government Act 1999 to secure continuous improvement in the way its functions are exercised having regard to the combination of economy, efficiency and effectiveness. The Council must comply with the new Public Contract Regulations 2015 and its own procurement procedures in relation to the projects in respect of the expenditure of both capital funds and any other funds required to fulfil any of the projects. Where the procurement relates to the award of a works contract, the threshold of approximately £4,322,000 still applies to the requirement for publication in Europe.
- 5.6. The report proposes the use of Council approved frameworks to deliver the various projects. In order for the Council to be able to procure in reliance on a framework agreement, the framework itself must have been procured in compliance with the European law and additionally the following requirements must be satisfied:
 - The Council is immediately identifiable in the relevant OJEU advert as a potential user of the framework;
 - The OJEU advert includes the types of works required by this development; and
 - The estimated value of the overall framework has sufficient capacity to include the full cost of the procured development.

- 5.7. Before selecting projects for inclusion in the capital programme, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). Some form of equality analysis is required which is proportionate to the selection being made. There is information in section 6 of the report relevant to these considerations.
- 5.8. Section 9GB and paragraph 1 of Schedule A1 of the Local Government Act 2000 make provision in respect of Mayor and Cabinet executives. Sub-paragraph 1(8) of Schedule A1 specifies what happens if for any reason the both the elected mayor and deputy mayor are either unable to act or their offices are vacant. In that case, the executive must act in the elected mayor's place or must arrange for a member of the executive to act in the elected mayor's place. In Tower Hamlets, Cabinet is the executive, i.e. the elected mayor and two or more councillors appointed to the executive by the elected mayor.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The implementation of the ESCW capital programme is part of the LA's strategy to improve achievement by improving the teaching and learning environment.
- 6.2 Strategies to raise educational attainment, including improving quality of school buildings, support students moving into employment.
- 6.3 The expansion of schools under the capital programme is necessary to ensure the Council meets its legal obligation to secure sufficient schools for Tower Hamlets, but will also promote equality of opportunity for children and young people (including within the meaning of the Equality Act 2010). Equality considerations will be further taken into account in the planning, procurement and delivery of individual projects.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The new projects subject to decisions in this report will be procured in accordance with the Council's procedures. Where possible, pre-approved frameworks will be used to minimise the time taken in procurement.
- 7.2 Capital investment projects aim to ensure that the value of assets is enhanced and that the best use can be made of existing assets.
- 7.3 Each project is subject to consultation with the relevant stakeholders, including building users.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The proposed capital works aim to improve and preserve the quality of the

building stock. Sustainability considerations are applied as far as possible to design and materials used. Major projects included are expected to obtain a minimum rating of Very Good in the BREEAM Assessment.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The individual projects will be closely monitored to ensure that programmes are completed on time and within the budget provision.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no specific implications arising.

11. SAFEGUARDING IMPLICAITONS

11.1 There are no specific implications arising.

APPENDICES

Appendix A - ESCW Capital Out-Turn 2014/15
Appendix B - Proposed Allocation of Funds 2015/16 to 2017/18
Appendix C - ESCW Condition and Improvement Programmes
Appendix D - Primary Capital Programme
Appendix E - School Expansion Programme
Appendix F –Finance Comments – supporting tables

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Appendix A

Out-turn 2014/15

| | Resources | Commitments | Carry Fwd |
|--|---------------|---------------|---------------|
| Grants | | | |
| Capital Maintenance | 13.051 | 1.262 | 11.789 |
| Basic Need/New Pupil Places | 20.399 | 10.854 | 9.545 |
| Targetted Basic Need Grant | 4.383 | 4.383 | 0.000 |
| Harnessing Technology | 0.021 | 0.021 | 0.000 |
| Sure Start | 0.027 | 0.027 | 0.000 |
| Short Breaks | 0.001 | 0.001 | 0.000 |
| Modernisation | 0.055 | 0.055 | 0.000 |
| *Swanlea Crossrail Contribution | 0.014 | 0.000 | 0.014 |
| Universal Infant Free School Meals | 0.591 | 0.383 | 0.208 |
| Early Education Provision (2 Year Olds) | 1.113 | 0.273 | 0.840 |
| Adult Personal Social Services Capital Grant | 2.038 | 1.160 | 0.878 |
| | 41.693 | 18.419 | 23.274 |
| Developers Contribution (S106) | | | |
| Various | 2.372 | 2.372 | 0.000 |
| | 2.372 | 2.372 | 0.000 |
| Local Priorities Programme (LPP) | | | |
| Youth Service Accommodation | 0.007 | 0.007 | 0.000 |
| *Bishop Challoner Community Facilities | 0.600 | 0.000 | 0.600 |
| *Bishop Challenor | 0.850 | 0.000 | 0.850 |
| *Non-School Condition & Statutory | 0.120 | 0.000 | 0.120 |
| Swanlea - Crossrail Contribution | 0.350 | 0.350 | 0.000 |
| Lukin Street Purchase | 0.215 | 0.215 | 0.000 |
| | 2.142 | 0.572 | 1.570 |
| RCCO | | | |
| Overland Children Centre - Extension | 0.183 | 0.040 | 0.143 |
| *Unapplied Children's Services Grant within the Early Intervention Reserve | 0.038 | 0.038 | 0.000 |
| | 0.221 | 0.078 | 0.143 |
| Total: | 46.428 | 21.441 | 24.987 |
| *Other commitments included in Appendix B | 1.584 | | |

Appendix B

Proposed Allocation of Funds 2015/16 to 2017/18

| Programme | Capital Budgets (£m) | | | | | | | | Capital Funding (£m) | | | | | | |
|------------------------------------|----------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|----------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | 2015/6 | Q1 | Q2 | Q3 | Q4 | 2016/7 | 2017/8 | Total | G | SB | RCCO | SC | S106 | LPP | Total |
| Condition & Improvement (Appx C) | 2.569 | 0.000 | 0.140 | 1.400 | 1.029 | 0.000 | 0.000 | 2.569 | 2.469 | | | 0.100 | | | 2.569 |
| Primary School Expansion (Appx E) | 18.381 | 2.595 | 3.900 | 4.320 | 7.566 | 19.430 | 8.000 | 45.811 | 41.445 | | | | 4.366 | | 45.811 |
| Primary Capital Programme (Appx D) | 0.140 | 0.000 | 0.000 | 0.140 | 0.000 | 0.000 | 0.000 | 0.140 | 0.140 | | | | | | 0.140 |
| Early Education Provision (Appx D) | 1.205 | 0.310 | 0.448 | 0.273 | 0.174 | 0.000 | 0.000 | 1.205 | 1.062 | | 0.143 | | | | 1.205 |
| Adult Services Programme (Appx D) | 0.878 | 0.100 | 0.200 | 0.140 | 0.438 | 0.000 | 0.000 | 0.878 | 0.878 | | | | | | 0.878 |
| Other Commitments (*Appx A) | 1.584 | 0.050 | 0.100 | 0.100 | 1.334 | 0.000 | 0.000 | 1.584 | 0.014 | | | | | 1.570 | 1.584 |
| Uncommitted Balance | 5.218 | 0.300 | 0.300 | 1.429 | 3.300 | 11.052 | 6.086 | 22.356 | 22.356 | | | | | | 22.356 |
| Total Allocations | 29.975 | 3.355 | 5.088 | 7.802 | 13.841 | 30.482 | 14.086 | 74.543 | 68.364 | 0.000 | 0.143 | 0.100 | 4.366 | 1.570 | 74.543 |
| Funded By: | | | | | | | | | | | | | | | |
| Carry Forward (see Appendix A:) | 24.844 | | | | | 0.000 | 0.000 | 24.844 | 23.274 | | 0.143 | | | 1.570 | 24.987 |
| 2015/8 DfE Basic Need | 10.404 | | | | | 10.924 | 14.162 | 35.490 | 35.490 | | | | | | 35.49 |
| 2015/8 DfE Capital Maintenance | 3.200 | | | | | 3.200 | 3.200 | 9.600 | 9.600 | | | | | | 9.600 |
| School Contributions | 0.100 | | | | | 0.000 | 0.000 | 0.100 | 0.000 | | | 0.100 | | | 0.100 |
| Developers' Contribution | 4.366 | | | | | 0.000 | 0.000 | 4.366 | 0.000 | | | | 4.366 | | 4.366 |
| Funding by Year | | | | | | | | | | | | | | | |
| Grant (G) | 25.366 | | | | | 30.482 | 12.516 | 68.364 | | | | | | | |
| Supported Borrowing (SB) | 0.000 | | | | | 0.000 | 0.000 | 0.000 | | | | | | | |
| Developers Contribution (S106) | 4.366 | | | | | 0.000 | 1.570 | 5.936 | | | | | | | |
| Local Priorities Programme (LPP) | 0.000 | | | | | 0.000 | 0.000 | 0.000 | | | | | | | |
| School Contribution (SC) | 0.100 | | | | | 0.000 | 0.000 | 0.100 | | | | | | | |
| RCCO | 0.143 | | | | | 0.000 | 0.000 | 0.143 | | | | | | | |
| Total Funding | 29.975 | 0.000 | 0.000 | 0.000 | 0.000 | 30.482 | 14.086 | 74.543 | 68.364 | 0.000 | 0.143 | 0.100 | 4.366 | 1.570 | 74.543 |

G Grant; SB Supported Borrowing; RCCO Revenue Contribution to Capital; SC School Contributions; S106 Developers' Contributions; LPP Local Programme Priorities

Appendix C

ESCW Condition & Improvement Projects

| Premises | Works | 2014/ 2015 | 2015/ 2016 | Q1 | Q2 | Q3 |
|--------------------------------------|---|---------------|---------------|--------------|--------------|--------------|
| Schools and Children Services | | | | | | |
| 2014/15 | | | | | | |
| Cubitt Town Junior | Create fire escape staircase | 0.002 | 0.071 | 0.000 | 0.000 | 0.035 |
| Canon Barnett Primary | Accessibility works | 0.002 | 0.050 | 0.000 | 0.000 | 0.030 |
| Swanlea School | Fire Protection Works - Phase 1 | 0.010 | 0.190 | 0.000 | 0.000 | 0.100 |
| | School Total | 0.014 | 0.311 | 0.000 | 0.000 | 0.165 |
| 2015/16 | | | | | | |
| Cubitt Town J&I | Accessibility Improvements | | 0.133 | 0.000 | 0.000 | 0.080 |
| Cubitt Town J&I | Replace boundary wall | | 0.015 | 0.000 | 0.000 | 0.010 |
| Cubitt Town J&I | Structural Works - Phase 2 | | 0.190 | 0.000 | 0.000 | 0.100 |
| Gorsefield | Security works -phase 2 | | 0.100 | 0.000 | 0.000 | 0.050 |
| Gorsefield | Replace Main Water Pipework | | 0.015 | 0.000 | 0.000 | 0.015 |
| Hague Primary | Replace hot and cold water system | | 0.110 | 0.000 | 0.000 | 0.080 |
| Halley Primary | Replace heating boiler and plant | | 0.050 | 0.000 | 0.000 | 0.035 |
| John Scurr Primary | Structural repairs | | 0.150 | 0.000 | 0.000 | 0.075 |
| Kobi Nazrul Primary | Replace heating boiler and plant | | 0.145 | 0.000 | 0.000 | 0.110 |
| Lawdale Primary | Upgrade Lightning Protection | | 0.015 | 0.000 | 0.000 | 0.010 |
| Malmesbury Primary | Replace heating boiler and plant | | 0.150 | 0.000 | 0.050 | 0.050 |
| Oaklands School | Additional dining facility | | 0.350 | 0.000 | 0.050 | 0.150 |
| Various Kitchens | Upgrade kitchen ventilation | | 0.200 | 0.000 | 0.000 | 0.100 |
| Smithy Street Primary | Upgrade Lightning Protection | | 0.015 | 0.000 | 0.000 | 0.010 |
| Stebon Primary | Replace heating boiler and plant | | 0.120 | 0.000 | 0.040 | 0.060 |
| Swanlea School | Fire Protection Works - Phase 2 | | 0.300 | 0.000 | 0.000 | 0.200 |
| | | | | | | |
| Statutory Requirements | To support schools in providing physical access for staff and pupils, urgent health and | | 0.200 | 0.000 | 0.000 | 0.100 |
| | Total Condition & Improvements | 0.014 | 2.569 | 0.000 | 0.140 | 1.400 |

Appendix D

| Premises | Works | Allocation £m | Previous Spend £m | 2015/ 2016 | Q1 | Q2 | Q3 | Q4 | Total £m |
|---|---|------------------|----------------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Primary Capital Programme | | | | | | | | | |
| Malmesbury Primary | Remodel and planned maintenance | 1.288 | 1.301 | 0.030 | 0.000 | 0.000 | 0.050 | 0.000 | 1.331 |
| Stebon Primary | Refurbishment, extension and planned maintenance | 1.173 | 1.116 | 0.110 | 0.000 | 0.000 | 0.090 | 0.000 | 1.226 |
| Primary Capital Programme Total: | | 2.461 | 2.417 | 0.140 | 0.000 | 0.000 | 0.140 | 0.000 | 2.557 |
| Early Education Provision | | | | | | | | | |
| Winterton House Nursery | Adaptations to provide 140 funded two year olds places. | 0.154 | 0.051 | 0.103 | 0.090 | 0.013 | 0.000 | 0.000 | 0.154 |
| Lincoln Hall | Adaptations to provide 55 funded two year olds places. | 0.170 | 0.000 | 0.170 | 0.000 | 0.100 | 0.070 | 0.000 | 0.170 |
| Whitehorse One O'clock Club | Adaptations to provide 40 funded two year olds places. | 0.275 | 0.000 | 0.275 | 0.150 | 0.125 | 0.000 | 0.000 | 0.275 |
| Overland Children Centre | Extension | 0.183 | 0.040 | 0.143 | 0.050 | 0.093 | 0.000 | 0.000 | 0.183 |
| | Projects to be developed | 0.514 | 0.000 | 0.514 | 0.020 | 0.117 | 0.203 | 0.174 | 0.514 |
| Early Education Provision Total: | | 1.296 | 0.091 | 1.205 | 0.310 | 0.448 | 0.273 | 0.174 | 1.296 |
| Adult Services | | | | | | | | | |
| Equipment | Equipment and assisted technology | 0.100 | | 0.100 | 0.000 | 0.000 | 0.000 | 0.100 | 0.100 |
| Aids and Adaptations | Supplement Disabled Facilities Grant | 0.250 | | 0.250 | 0.000 | 0.000 | 0.000 | 0.250 | 0.250 |
| Ronald Street | Electrical upgrade and associated works | 0.050 | | 0.050 | 0.000 | 0.000 | 0.040 | 0.010 | 0.050 |
| | Project to be developed | 0.478 | | 0.478 | 0.100 | 0.200 | 0.100 | 0.078 | 0.478 |
| Adult Services Total: | | 0.878 | | 0.878 | 0.100 | 0.200 | 0.140 | 0.438 | 0.878 |

School Expansion Programme

| Premises | Initial Allocation £m | Previous Spend £m | 2015/2016 £m | Q1 | Q2 | Q3 | Q4 | 2016/17 £m | 2017/18 £m | Revised Allocation £m |
|------------------------------------|--------------------------|----------------------|-----------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------------------|
| Arnhem Wharf | 4.900 | 4.900 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 4.900 |
| Bethnal Green Centre Refurbishment | 2.530 | 2.530 | 0.025 | 0.025 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 2.555 |
| Bonner | 5.300 | 5.325 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 5.325 |
| Bow * | 11.000 | 0.000 | 1.000 | 0.200 | 0.200 | 0.300 | 0.300 | 5.000 | 5.000 | 11.000 |
| Bromley Hall * | 9.000 | 0.000 | 1.000 | 0.200 | 0.200 | 0.300 | 0.300 | 5.000 | 3.000 | 9.000 |
| Cayley | 5.800 | 5.750 | 0.050 | 0.050 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 5.800 |
| Marnier | 7.160 | 7.140 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 7.140 |
| Phoenix - Satellite classrooms | 0.290 | 0.120 | 0.170 | 0.070 | 0.100 | 0.000 | 0.000 | 0.000 | 0.000 | 0.290 |
| Olga | 11.800 | 0.600 | 5.100 | 1.000 | 1.000 | 1.000 | 2.100 | 6.100 | 0.000 | 11.800 |
| St Paul's Way Trust | 9.730 | 1.500 | 4.900 | 0.500 | 1.000 | 1.000 | 2.400 | 3.330 | 0.000 | 9.730 |
| Stebon | 5.500 | 5.450 | 0.050 | 0.050 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 5.500 |
| Stepney 6th Form | 4.500 | 0.134 | 4.366 | 0.200 | 1.000 | 1.000 | 2.166 | 0.000 | 0.000 | 4.500 |
| Woolmore | 10.500 | 10.000 | 0.670 | 0.200 | 0.200 | 0.270 | 0.000 | 0.000 | 0.000 | 10.670 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Sub Total: | 88.010 | 43.449 | 17.331 | 2.495 | 3.700 | 3.870 | 7.266 | 19.430 | 8.000 | 88.210 |
| Provision of Bulge Classes | 0.300 | 0.000 | 0.300 | 0.000 | 0.000 | 0.150 | 0.150 | | | 0.300 |
| Scheme Development | 0.750 | 0.000 | 0.750 | 0.100 | 0.200 | 0.300 | 0.150 | | | 0.750 |
| Sub Total: | 1.050 | 0.000 | 1.050 | 0.100 | 0.200 | 0.450 | 0.300 | 0.000 | 0.000 | 1.050 |
| | | | | | | | | | | |
| School Expansion Total: | 89.060 | 43.449 | 18.381 | 2.595 | 3.900 | 4.320 | 7.566 | 19.430 | 8.000 | 89.260 |

*Subject to approval of separate report to Cabinet on use of Bow and Bromley Hall sites for primary school expansion.

APPENDIX F

Table 1: Explanation of Movement in ESCW Capital Programme Out-turn Balance for 2014/15 from 4th February 2015

| Programme | Component | | £m |
|---|--|--------|---------------|
| Overall | ESCW capital budget as per Cabinet 4 th February 2015 | | 21.643 |
| Capital Maintenance | Revised Out-turn balance | -0.108 | |
| Basic Need | Revised Out-turn balance | -2.644 | |
| Early Years 2 Year Olds | Revised Out-turn balance | 0.273 | |
| Adult PSS Grant | Revised Out-turn balance | 0.251 | |
| Various Developer's Contribution | Revised Out-turn balance | 2.372 | |
| Bishop Challoner Community Facilities | Revised Out-turn balance | -0.600 | |
| Lukin Street Purchase | Revised Out-turn balance | 0.215 | |
| Overland Children Centre | Revised Out-turn balance | 0.040 | |
| | Less balance of components | | -0.201 |
| ESCW capital Out-turn for 2014/15 per this report (Appendix A) | | | 21.441 |

Table 2: Explanation of Movement in ESCW Capital Programme Budget for 2015/16 to 2017/18 from in 4th February 2015


| Programme | Component | | £m |
|-----------------------|--|--------|---------------|
| Overall | ESCW capital budget as per Cabinet 4 th February 2015 | | 57.658 |
| Basic Need | Revised balance | -0.223 | |
| Harnessing Technology | Balance of grant | 0.021 | |
| Sure Start | Balance of grant | 0.021 | |
| Modernisation | Revised balance | -0.042 | |
| Short Breaks | Balance of grant | 0.001 | |
| Swanlea Crossrail | Unallocated income | 0.014 | |

| | | | |
|--|----------------------------|--------|---------------|
| Universal Infant Free School Meals | Balance of grant | 0.208 | |
| Early Years 2 Year Olds | Balance of grant | 0.840 | |
| Adult PSS | Balance of grant | 1.129 | |
| Youth Service Accommodation | Unallocated balance | 0.001 | |
| Bishop Challenor Community Facilities | Balance of LPP funding | 0.850 | |
| Non-school Condition | Balance of grant | 0.038 | |
| Lukin Street Purchase | Unallocated balance | 0.215 | |
| Capital Out-turn difference | See Table 1 | 0.201 | |
| Overland Children Centre | Allocation | 0.183 | |
| Balance of New Funding | See Table 3 | 13.428 | |
| | Add: balance of components | | 16.885 |
| ESCW capital budget 2015/16-2017/18 as per this report (Appendix B) | | | 74.543 |

Table 3: Explanation of Movement in grant funding of ESCW Capital budget 2015/16-2017/18 from 4th February 2015

| Funding | | £m | |
|--|--|---------------|--------|
| ESCW funding as per Cabinet 4 th February 2015 | | 36.128 | |
| | Add: Carry forward of resources based on 2014/15 outturn | 24.987 | |
| | Add: Additional actual Capital Maintenance grant | 6.600 | |
| | Add: Additional actual Basic Need grant 2017/18 | 3.162 | |
| | Add: Develop Contributions | 4.366 | |
| | Add: School Contributions | 0.100 | |
| | Less: Adult Services 2015/16 allocation | -0.800 | |
| | Balance of New Funding | | 13.428 |
| ESCW capital budget 2015/16-2017/18 as per this report (Appendix B) | | 74.543 | |

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| | |
|--|---|
| <p>Cabinet</p> <p>13 May 2015</p> |  <p>TOWER HAMLETS</p> |
| <p>Report of: Robert McCulloch-Graham, Corporate Director, Education, Social Care & Wellbeing</p> | <p>Classification: Unrestricted</p> |
| <p>Primary School Places Programme</p> | |

| | |
|-----------------------------|---|
| Lead Member | Councillor Gulam Robbani, Cabinet Member for Education and Children’s Services |
| Wards affected | Bow East, Lansbury |
| Community Plan Theme | A Prosperous Community |
| Key Decision? | Yes |

Executive Summary

This report includes proposals for two sites to provide additional primary school capacity to meet the rising need for school places in the borough.

These sites are the Former Bromley Hall Special School and the former site of Bow Boys’ School. Both are vacant and provide opportunities to be brought into primary school use.

Recommendations:

The Cabinet is recommended to:

1. Approve the adoption of a capital estimate of £9.0m for the proposed works to the former Bromley Hall Special School;
2. Delegate to the Corporate Director, Development & Renewal, the power to appropriate land in Lochnagar Street shown in Appendix A from the HRA to the General Fund for Education purposes, subject to prior consultation with the Service Head – Legal Services, and agree that the land is incorporated into Bromley Hall School site;
3. Approve the proposed procurement of works to the Bromley Hall School by use of a suitable pre-tendered framework;
4. Approve the adoption of a capital estimate of £11m for the proposed works to the former site of Bow Boys’ School;
5. Approve the proposed procurement approach for the former Bow Boys’ School site of working with Tower Hamlets Schools Ltd ;
6. Authorise the Corporate Director of ESCW to agree tenders for projects referred to in this report within the approved programmes and capital estimate; and
7. Authorise the Corporate Director, Development and Renewal, following consultation with the Service Head – Legal Services, to agree and enter into the contracts required to give effect to the above recommendations.

1. REASONS FOR THE DECISIONS

- 1.1 The LA has a duty to provide sufficient school places for the local population. The need for additional places in Tower Hamlets has been rising for some time and is projected to continue to rise. The Cabinet meeting on 3 September 2014 received a report on the 2014/15 Annual Review of School Places. The former Bromley Hall School and the former Bow Boys' School sites have been identified as opportunities within the Council's own assets to provide additional places. Decisions are required to adopt the projects into the capital programme and to proceed with implementation.
- 1.2 If these decisions are not taken or are deferred, the potential to open the extra school places will be delayed. This will mean that alternative, temporary classes will have to be provided to meet the expected number of children requiring school places. This type of provision is not good value for money and, whilst it can be managed by schools, is less satisfactory for the continuity of children's education.

2. ALTERNATIVE OPTIONS

- 2.1 When projects are being considered for the capital programme, alternative options are considered. This is to ensure that the projects both meet value for money and address the needs identified. Projects are recommended following options appraisals and to select the options which best meet the location needs of the rising school age population. Potential alternative options for the sites are noted below. The sites are at present vacant and incurring costs to maintain security.
- 2.2 As above, if permanent school accommodation is not provided in time to meet the number of children requiring school places, alternative temporary provision has to be made.

3. DETAILS OF REPORT

Need for School Places

- 3.1 As reported to Cabinet in September 2014, the need for primary school places is continuing to rise. New capacity opened for the 2014/15 school year and there is a further planned expansion for September 2016 at Olga School (2FE expansion). However, this additional capacity does not meet the projected need. Taking account of the new capacity in 2014 and planned for 2016, the anticipated shortfall of places at Reception year is:

| | Places available | Projected need | Shortfall places | Shortfall FE |
|----------------|-------------------------|-----------------------|-------------------------|---------------------|
| 2016/17 | 3730 | 3781 | 51 | 1.7 |
| 2017/18 | 3730 | 3869 | 139 | 4.6 |
| 2018/19 | 3730 | 3997 | 267 | 8.9 |

- 3.2 This projected shortfall requires decisions now in order to be sure that capital schemes, with long development periods, can be implemented in time to create the additional capacity. Short term contingency measures will be required (bulge classes) where we are not able to provide permanent places in time to meet the need.

Former Bromley Hall School site - background

- 3.3 The school site transferred to the Council by virtue of The Education (Inner London Education Authority) (Property Transfer) Order 1990. The former special school closed in 2002. The building was then used as part of the Pupil Referral Unit until July 2010. The school has been vacant since July 2010. It presents a particular security risk. It has been squatted on two separate occasions, leading to court action to obtain vacant possession. Security costs are currently in the order of £120,000 per annum and are an ongoing liability in view of the high risk of the building being squatted again. The building continues to deteriorate.
- 3.4 The site is within the Ailsa Street Masterplan area which is part of the proposed Housing Zone. The Ailsa Street area within that is projected to provide 1100 homes in the period 2015 – 2020. In the same period, 1100 homes are projected in the adjacent Leven Road area. Over 8,000 homes are projected for the whole Housing Zone which will require the associated social infrastructure, including schools, to be provided. In view of the likely scale of local housing development, it is preferable to develop the school ahead of new residents in the immediate vicinity. The school can be developed as a standalone site within the Council's ownership with no dependency relating to other sites or site assembly issues.
- 3.5 In 2012 the school was made a Grade II listed building. The Council appealed against the listing but was not successful. It is possible to appeal against a listing decision when it is first made but for a further appeal at a later date, there would have to be substantial new information about the history or interest of the building which was not previously available. Such information is not available to form the basis of a further appeal.
- 3.6 Whilst it would be possible to put forward a proposal for the site which involved demolition of the listed school building and replacement with a new school, and/or housing or other use, it is likely that this process would take considerable time and there is no guarantee of the outcome, with the risk of further deterioration and ongoing security costs in the meantime. It will be difficult to sustain a case for demolition on the grounds that the building could not be adapted for continued education use. Listed Building Consent is required for any alterations to a listed building or demolition of all or part of it. Listed Building Consent is not issued by the LA where it is the building owner.
- 3.7 Where the LA is using its own assets to provide school places and is still unable to meet the local need, this supports the case to be made for other development sites to contribute space for a school as part of wider redevelopment for residential use.

Risk of Secretary of State's intervention

- 3.8 LAs cannot dispose of school property without the prior consent of the Secretary of State for Education. The Secretary of State has powers to require a vacant school to be transferred at nil cost to a free school regardless of whether the LA has applied for consent to dispose. A free school could then open which would be outside the LA's programme for the provision of school places. This is a risk for this site which will increase the longer no proposals for its use are agreed.

Options for Bromley Hall School site for school use

- 3.9 As referred to above, the listed status presents some constraints in considering options for development. Proposals for school use have been considered which retain as much of the existing structure as is compatible with the needs of a modern primary school. Whilst no contact has been made with English Heritage about the proposals, retention of a significant part of the existing building is regarded as an option which is likely to be considered positively.
- 3.10 The existing school is single storey. The original school was subsequently added to with an extension. The current development proposal retains the majority of the main part of the building and replaces the extension. This allows the creation of accommodation to meet current mainstream school standards. The development proposals will retain it as a single storey building and as a result there are no rights of light impacts on neighbouring properties. The proposal will provide 2FE (420 places).
- 3.11 The existing school site has very limited external area. In order to meet the standards for external recreation area for the primary school, it is proposed to incorporate the adjoining land in Lochnagar Street into the school site (shown on the plan at Appendix A). If the proposal to retain the school building proceeds, the alternative development options for this plot are restricted due to the narrow width and the proximity to the school, taking account of both the existing building's height and its listing.
- 3.12 It is recommended that this land is incorporated into the school site and appropriated from the HRA to General Fund for this purpose. The land was originally acquired under housing powers but was never redeveloped for housing use and has been in commercial use for a significant number of years.

The Land to be Appropriated

- 3.13 The Council owns land at Lochnagar Street adjoining the school. It is proposed to incorporate this land within the school site to provide external play space as shown on the plan at Appendix A.

- 3.14 The land to be appropriated was acquired for Housing purposes by the Council under its CPO powers in 1980, and subsequently the houses were demolished and industrial use commenced.
- 3.15 The land is currently held under HRA powers, and therefore in order that it is utilised for Education purposes it should be appropriated to the General Fund.
- 3.16 The appropriation of dwellings from the HRA to the General Fund requires the consent of the Secretary of State under s19 (2) of the Housing Act 1985. Appropriation of other types of property can be effected under s122 of the Local Government Act 1972 without requiring consent. In this particular case, we are not appropriating dwellings so Secretary of State consent is not required.
- 3.17 When a property is appropriated from the HRA, the HRA account must be compensated, An appropriate assessment has to be made as to the market value of land transferred, and a corresponding adjustment is undertaken between the HRA Capital Financing Requirement (HRACFR) and the General Fund Capital Financing Requirement (GFCFR). The costs and any income relating to the property will subsequently fall to the General Fund, and the proportion of the Council's borrowing costs allocated to the HRA is reduced pro-rata. This is further detailed within the Comments of the Chief Finance Officer.
- 3.18 The land is partly vacant and partly occupied. The existing occupant will have his lease terminated by formal Notice under the Landlord and Tenant legislation and will be paid compensation in the event that the grounds for termination require a compensation payment to be made.

Procurement and Programme

- 3.19 An initial scheme has been developed at feasibility stage and it is proposed to use this as the basis for procurement. It is proposed to procure the works using an existing pre-tendered framework contract suitable for this size project and which is approved for use by the Council. Use of a pre-tendered framework avoids the longer EU timetable for tendering. Companies on the selected framework will enter into a mini-competition to confirm the appointment.
- 3.20 September 2018 appears at this stage to be the earliest opening date but this will be subject to the procurement process and programme.
- 3.21 If the framework approach to procurement is not pursued and the alternative of an EU compliant individual procurement is selected, this will add a minimum of 9 months to the programme and make the earliest opening date September 2019. This will place further pressure to create short term capacity where permanent capacity does not keep pace with the need for places as shown in the table in paragraph 3.1.

Capital cost

3.22 The estimated capital cost of the project is £9.0m. It is recommended that a capital estimate is adopted for £9.0m to allow the project to proceed. This will be funded from the Basic Need grant allocation for new school places.

Risks

3.23 The main risks to the development programme for the school are:

- The risk of increasing costs now being experienced in the construction sector
- Subject to the proposed appropriation referred to above, the risk of not being able to obtain vacant possession of the part of the land now occupied by a commercial use. Possession proceedings are in hand but there is no certainty about when possession will be achieved. If there is delay, there may be a need to redesign and reprogramme works to that area of the site forming the playground.
- The planning risk associated with Listed Building Consent. Early engagement with English Heritage will aim to mitigate this risk.
- Programme risks associated with the preferred procurement approach

Operation of the school

3.24 The proposed operation of the school will be subject to a separate process of reporting to Cabinet, consultation and decision-making.

Former Bow Boys' School site – background

3.25 The site is now vacant. The school is part of the Grouped Schools PFI contract and the Council remains liable for the ongoing contract charges even though the buildings are not in use. The annual charge of £238,000 has been rebated by £98,000 for the current reduction in services, but this still represents an ongoing cost for which the Council remains liable.

3.26 The site is in two parts divided by Paton Close – the south site, fronting Bow Road, and the north site with the locally listed Edwardian building, known as the Heritage Building. The north site is in a conservation area and is surrounded by locally listed terraced housing. This limits the potential for redevelopment to any significant height. Conservation advice has indicated that demolition of the Heritage Building would not be supported. The south site building, dating from 1960s and originally an office block, sits between a Grade II listed building and the DLR track.

Development options considered to date:

- i. North site – remodelling and extension to provide a 3FE primary school. This option is well-developed and a planning application could be ready to be submitted within a short time. This option includes alterations to the Heritage building, demolition of the science block and a new-build extension to provide

the nursery classes and hall with roof level MUGA to ensure sufficient external play area.

- ii. South site – primary school use by remodelling and extension. 2FE of capacity could be provided although with limited external area.
- iii. South site - potential for redevelopment for school and housing mixed use. This has not been developed in any detail.
- iv. Primary school use across the north and south sites – a complete rebuild option to provide 4FE across both sites was considered but not pursued in view of the conservation advice and the preferred maximum size for a primary school of 3FE.
- v. Temporary use – the option of “early opening” of the north site places has been considered by adaptation and use of temporary units at the south site whilst work is on site at the north site

Recommended Proposal

- 3.27 It is recommended that the proposal to provide 3FE primary capacity at the north site should now be progressed. Further consideration can be given to options for the south site.

Procurement

- 3.28 Because the site is included in the Grouped Schools PFI contract, we will work with THSL (Tower Hamlets Schools Ltd) to procure capital works. This is a model used for other sites in the contract, such as the works to rebuild Olga School. The contractor has a long term interest in the site (until 2027). The cooperation and consent of the PFI contractor and its funders is required in order to carry out the building works and so the PFI contractor will act as the Council’s agent to procure works and appoint a construction contractor following a competitive tender. This ensures that the scheme is jointly developed. Using an alternative contractor for the works would take more time and create additional costs for the Council in obtaining the relevant consents. It could also lead to potential contractual disputes during the works and in the subsequent delivery of ongoing facilities management services.
- 3.29 The Council and THSL will enter into a deed of variation to the contract for the terms of the works. The Council will assess the value for money of the construction works before completing the agreement. As part of the procurement process, the Council will set out local supply chain and local employment requirements comparable to the requirements of the Council’s own procurements.
- 3.30 Procurement of the capital works by this method includes agreement with THSL on any adjustment to the ongoing charges and services for the property. This takes account of the enhancement of the property as well as any increase or decrease in the overall floor area. The school pays the ongoing services charges from its budget.

Programme

- 3.31 September 2018 at this stage appears to be the earliest available opportunity. However, depending on phasing of the works, early opening could be investigated. If the recommended school development of the north site is pursued, early availability of places in September 2016 could be achieved if required by temporary use of the south site, subject to further investigation of costs.

Risks

- 3.32 The major risk is increasing construction costs. The Council continues to pay the ongoing contract costs whilst the site is vacant pending a decision. Any delay in a decision to proceed with implementation of the 3FE north site option will risk the supply of places to meet the need identified in 3.1 leading to costs for temporary provision.

Risk of Secretary of State's intervention

- 3.33 All or part of the site cannot be disposed of without the Secretary of State's consent, this includes proposed housing development. The Secretary of State has powers to require a vacant school to be transferred at nil cost to a free school regardless of whether the LA has applied for consent to dispose (referred to as a "scheme"). A free school could then open which would be outside the LA's programme for the provision of school places. This is a risk for this site which will increase the longer no proposals for its use are agreed.

Operating model

- 3.34 The proposed operation of the school will be subject to a separate process of reporting to Cabinet, consultation and decision-making.

Cost

- 3.35 For development of the 3FE option, it is recommended that a capital estimate is adopted for £11.0m, which will include furniture, equipment and ICT, to be funded from Basic Need capital grant

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. This report is proposing to bring back into use the former Bromley Hall Special School and the former site of Bow Boys' School for primary education. The estimated capital cost for Bromley Hall is £9.0m and for the Bow Boys' School site the capital estimate is £11.0m. Both of these schemes would be funded from the Basic Need capital grant allocation.
- 4.2. A report on the ESCW capital programme was agreed at Council in February 2015 and a revision to the capital programme is being considered elsewhere on this agenda.

- 4.3. It is proposed to incorporate the land at Lochnagar Street within the school site to provide external play space as shown on the plan at Appendix A. In order to do this the land needs to be appropriated from the Housing Revenue Account (HRA) in to the General Fund.
- 4.4. The financial consequences of appropriation from the HRA are that the costs and any income relating to the property will subsequently fall on the General Fund, and that the value of the property is deducted from the total value of HRA assets (the “capital financing requirement” or “CFR”) and consequently that the proportion of the council’s borrowing costs allocated to the HRA pro rata to the HRA CFR is reduced.
- 4.5. Table 1 demonstrates the overall financial impact between the HRA and General Fund:

Table 1

| | HRA £ | General Fund £ |
|--|-----------------|------------------------------------|
| Capital Financing Requirement Adjustment (value of land): | (975,000) | 975,000 |
| Annual Revenue Charge: Principal (Minimum Revenue Provision – applies to General Fund only) | 0 | 32,500 |
| Interest (based on estimated CRI) | 4.50% (43,875) | 43,875 |
| Net Revenue Effect | (43,875) | 76,375 |

- 4.6. It is expected that the additional General Fund debt costs will be contained within existing resources.
- 4.7. The reduction in the Housing Revenue Account Capital Financing Requirement will result in a corresponding increase in the HRA borrowing headroom that is available within the constraints of the HRA debt cap.

5. LEGALCOMMENTS

- 5.1. The Council, as a Local Education Authority, has a duty under Section 14(1) of the Education Act 1996 to secure that sufficient schools for providing primary education are available in its area. Section 14(2) clarifies that “sufficient” means that they must be sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education. The proposal to build additional primary school provision seems to be consistent with, and in pursuit of, that duty.

- 5.2. In deciding what provision to make in respect of primary and secondary schools, the Council is required to consider the need to secure diversity in the provision of schools and increasing opportunities for parental choice. This sits alongside the Council's general equality duty, which requires it to have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Equalities analysis will need to be carried out alongside the development of proposals.
- 5.3. If the Council sees a need for a new school, then Part 2 of the Education and Inspections Act 2006 will apply. There is a presumption that the new school will not be a new community school. Section 6A of the Education and Inspections Act has imposed a requirement on local authorities in England to seek proposals for the establishment of an Academy if they think a new school needs to be established in their area.
- 5.4. It is understood that the expanded school premises are proposed to be satellites of existing schools, rather than new schools. There is statutory guidance (School Organisation – Maintained Schools - Guidance for proposers and decision makers, January 2014) which states that where proposers seek to expand onto an additional site they will need to ensure that the new provision is genuinely a change to an existing school and not a new school.
- 5.5. It is proposed that capital estimates be adopted for the Bromley Hall and former Bow Boys' projects. The Council's chief finance officer, for the purposes of section 151 of the Local Government Act 1972, has put in place financial regulations and procedures for the proper administration of the Council's financial affairs. Pursuant to financial procedures FP 3.3(5) and 3.3(6), senior managers may only proceed with projects when there is a capital estimate adopted and adequate capital resources have been identified. Cabinet must approve capital estimates in excess of £250,000.
- 5.6. Before the capital estimates are agreed, the Cabinet should be satisfied that the projects are capable of being carried out within the Council's statutory functions. As the projects are concerned with provision of schools, this appears generally to be the case, having regard to the functions outlined above. However, each project should be subjected to scrutiny in respect of the Council's specific relevant powers prior to any tendering commencing.
- 5.7. The estimated value of the works exceeds the relevant threshold in the Public Contracts Regulations 2015 (the "Regulations"), requiring the Council to comply fully with the provisions of those Regulations.
- 5.8. The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." Compliance by the Council with its own procurement procedures and the requirements of the

Regulations, where applicable, should help to meet these requirements, but ultimately the Council must be satisfied that the project and the engagement of any contractors will also provide best value.

- 5.9. For the former Bromley Hall School site, it is proposed to use a pre-tendered framework agreement to commission the works. There are a number of strict legal requirements which must be satisfied in order that the Council can lawfully use a framework agreement, which include being immediately identifiable from the OJEU notice and there being sufficient financial headroom. Evidence that demonstrates the proposed framework agreement was procured in accordance with the Regulations and may be used by the Council will need to be considered.
- 5.10. The process of calling-off the framework agreement will be governed by the requirements of the Regulations and the framework agreement itself. This is likely to include a mini-competition exercise in order to narrow the selection of a contractor down to the most economically advantageous tender in accordance with the prescribed criteria and weightings. Again, the process to be followed will need to meet the requirements of the Regulations and the framework.
- 5.11. The site of the former Bow Boys' School falls within the Grouped Schools PFI Contract entered into between the Council and Tower Hamlets Schools Limited (THSL) following a compliant procurement exercise in accordance with the Public Contracts Regulations 2006. Pursuant to that Contract, THSL have a level of control over the site until 2027 and their consent together with the consent of their funders is required in order to carry out works on it.
- 5.12. It is proposed therefore that a construction contractor will be procured by THSL, who will act as the Council's agent. This arrangement is within the scope of the original Grouped Schools PFI procurement exercise and, by adopting this process, the need to carry out an OJEU-level procurement to appoint a construction contractor is dispensed with. Even if the preferred option were to run a full procurement exercise in accordance with the Regulations, the consent and co-operation of THSL and their funders would be required.
- 5.13. THSL will be required to carry out a competitive tender exercise to ensure that best value is achieved and a value for money report will be commissioned by the Council before entering into the deed of variation with THSL.
- 5.14. It is proposed to incorporate adjoining land in Lochnagar Street, currently held as Housing land, into the Bromley Hall School site. This would require an appropriation from the HRA to the General Fund and the financial consequences of this are covered in section 4 above. Section 122 of the Local Government Act 1972 provides that a Council may appropriate for any purpose for which it is authorised any land which belongs to the Council and is no longer required for the purpose for which it is held immediately before the appropriation.

- 5.15. The test to be taken to determine if appropriation is considered the correct approach is whether the land is no longer required for the purpose for which it was acquired. Although the land was originally acquired for housing use, it appears that it has never been developed for that purpose and has been in commercial use for a number of years. That the land is no longer required for the purpose it was acquired may be considered a reasonable view.
- 5.16. The general power under section 122 of the Local Government Act 1972 must be read subject to section 19(2) of the Housing Act 1985 (the “1985 Act”) which states that where a local housing authority has acquired or appropriated land for the purposes of Part II of the 1985 Act, it will require the consent of the Secretary of State to appropriate any part of the land consisting of a house, or any part of a house, to any other purpose.
- 5.17. Circular 8/95 (the “Circular”) was issued by the then Department of the Environment in 1995 to provide guidance on the operation of the housing revenue account ring-fence, but it remains in force today. It provides that the Council should consider removing properties which have been proved under specified powers (including Part II of the 1985 Act) but which may no longer fulfil their original purpose. In these circumstances, the Council should consider their removal from the housing revenue account. Examples of properties which might fall into this category are commercial premises where there is no longer any connection with the Council’s housing. The decision is for the Council to take, although it should be able to explain the basis of the decision to the external auditor and tenants, if called upon to do so.
- 5.18. It should be noted that Government Circulars are not determinative of the law. Notwithstanding the advice of the Circular, further consideration of the particular circumstances may be needed in order to determine whether approval of the Secretary of State is required under section 19(2) of the 1985 Act or a direction of the Secretary of State under section 74(3)(d) as to whether the land falls within the scope of section 74 of the 1989 Act.
- 5.19. Section 9GB and paragraph 1 of Schedule A1 of the Local Government Act 2000 make provision in respect of Mayor and Cabinet executives. Sub-paragraph 1(8) of Schedule A1 specifies what happens if for any reason the both the elected mayor and deputy mayor are either unable to act or their offices are vacant. In that case, the executive must act in the elected mayor’s place or must arrange for a member of the executive to act in the elected mayor’s place. In Tower Hamlets, Cabinet is the executive, i.e. the elected mayor and two or more councillors appointed to the executive by the elected mayor.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The provision of school places is necessary to ensure the Council meets its legal obligation to secure sufficient schools for Tower Hamlets, but will also promote equality of opportunity for children and young people (including within

the meaning of the Equality Act 2010). Equality considerations are taken into account in the planning, procurement and delivery of projects.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The proposals in this report are based on best use of the Council's existing assets to retain the buildings in education use and help meet the Council's statutory duty to provide school places. For Bromley Hall School it is recommended that procurement should be via an approved pre-tendered framework which is the most time-efficient approach to ensure school places can be available to meet the need for places. This helps to mitigate the likelihood of expenditure on temporary provision where insufficient permanent capacity is available for the number of pupils starting school.
- 7.2 Both buildings referred to are vacant and are incurring costs whilst no beneficial use can be made of them. Bromley Hall School has deteriorated significantly and this report recommends action to address this.
- 7.3 The proposals to open primary school provision at these sites will be subject to further consultation both at planning application stage and as part of the required school organisation process.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The proposed capital works aim to improve and preserve the quality of existing buildings. Sustainability considerations are applied as far as possible to design and materials used. Major projects such as this are expected to obtain a minimum rating of Very Good in the BREEAM Assessment.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The proposals to provide additional school places mitigate the risk of children being without the offer of a school place or short term measures having to be put in place to meet the need for places. The vacant sites remain an ongoing security and cost risk and these will be reduced by proposals to bring the site into use.
- 9.2 It should be noted that the construction sector is experiencing considerable cost inflation at present. Delays in proceeding with capital schemes such as these proposals will result in costs increasing.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 There are no implications arising from the recommendations of this report.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no specific implications arising from the recommendations of this report.
-

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- Appendix A – Land in Lochnagar Street

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

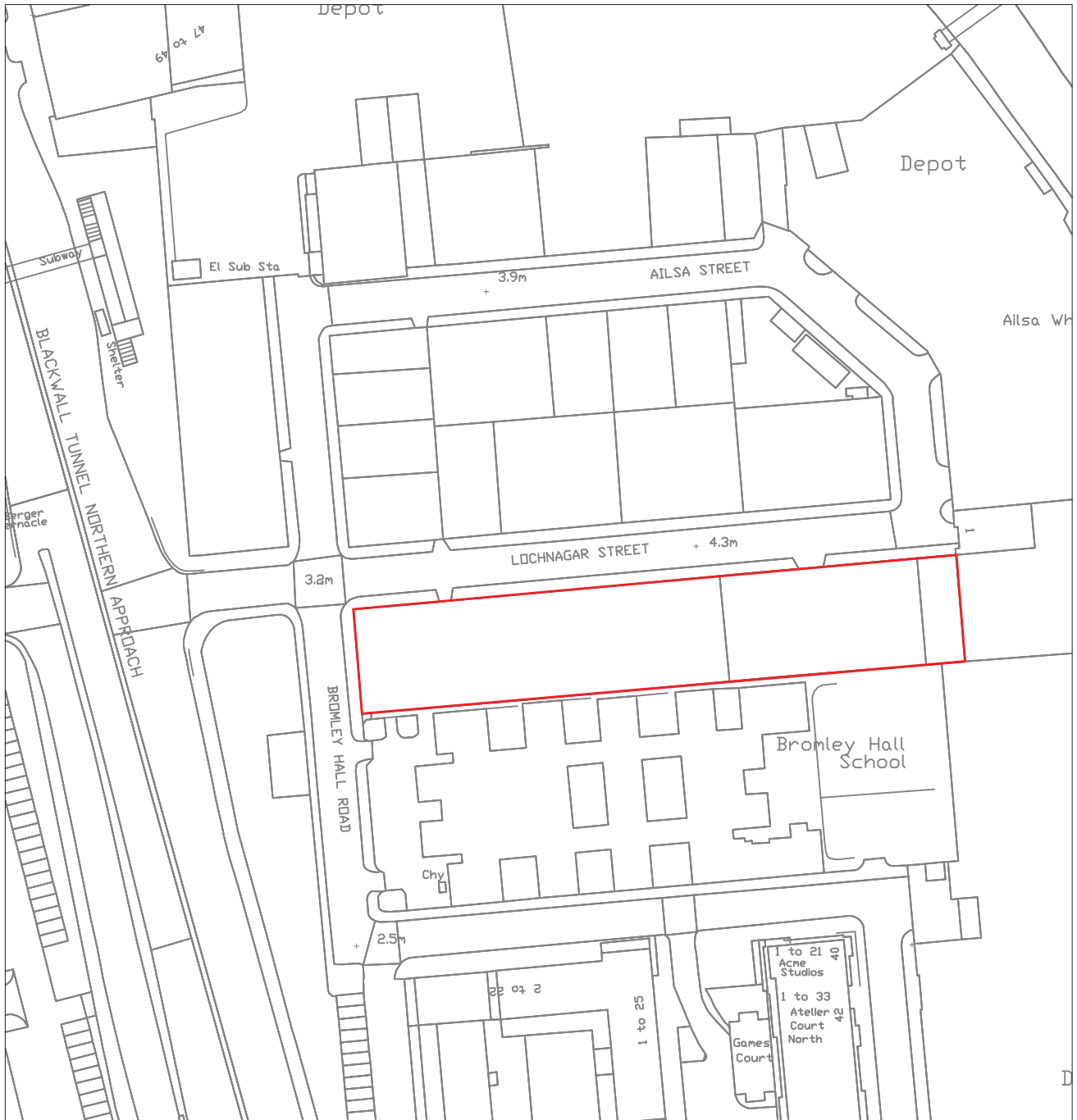
- Pat Watson, Building Development, ESCW extension 4328

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**Land to be appropriated at 10-56
Lochnagar Street and 42-50 Bromley
Hall Road**

Print @ A4

Scale: 1/1250




Extent of property

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|---|---|
| <p>Cabinet 13 May 2015</p> |  TOWER HAMLETS |
| <p>Report of: Corporate Director Resources</p> | <p>Classification: Unrestricted</p> |
| <p>Exercise of Corporate Directors' Discretions</p> | |

| | |
|-----------------------------|---|
| Lead Member | Councillor Aminur Khan, Cabinet Member Policy, Strategy and Performance |
| Wards affected | All |
| Community Plan Theme | One Tower Hamlets |
| Key Decision? | No |

Executive Summary

This report sets out the exercise of Corporate Directors' discretions under Financial Regulation B8 which stipulates that such actions be the subject of a noting report to Cabinet if they involve expenditure between £100,000 and £250,000.

Recommendations:

The Cabinet is recommended to:

Note the exercise of Corporate Directors' discretions as set out in Appendix 1.

1. REASONS FOR THE DECISIONS

- 1.1 Financial Regulations require that regular reports be submitted to Council/Committee setting out financial decisions taken under Financial Regulation B8.
- 1.2 The regular reporting of Corporate Director's Discretions should assist in ensuring that Members are able to scrutinise officer decisions.

2. ALTERNATIVE OPTIONS

- 2.1 The Council is bound by its Financial Regulations (which have been approved by Council) to report to Council/Committee setting out financial decisions taken under Financial Regulation B8.
- 2.2 If the Council were to deviate from those requirements, there would need to be a good reason for doing so. It is not considered that there is any such

reason, having regard to the need to ensure that Members are kept informed about decisions made under the delegated authority threshold and to ensure that these activities are in accordance with Financial Regulations.

3. DETAILS OF REPORT

3.1 Financial Regulation B8 sets out the Cabinet Reporting Thresholds for the following financial transactions:

- Virements
- Capital Estimates
- Waiving Competition Requirements for Contracts and Orders (Subject to EU threshold)
- Capital Overspends
- Settlement Of Uninsured Claims

3.2 Under Financial Regulation B8, if the transaction involves a sum between £100,000 and £250,000 it can be authorised by the Corporate Director under the scheme of delegation but must also be the subject of a noting report to the next available Cabinet.

3.3 Appendix 1 sets out the exercises of Corporate Directors' discretions, under the stipulations in 2.2 above, that have taken place since the previous Cabinet.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 The comments of the Chief Financial Officer have been incorporated into the report and Appendix.

5. LEGAL COMMENTS

5.1 The report sets out the individual exercises of Corporate Directors' Actions for noting by Cabinet, as required by Financial Regulation B8.

5.2 Internal guidelines have been published setting out the process by which Records of Corporate Directors' Actions are completed. These specify that the proposed action must be in accordance with the Council's Financial Regulations and its Procurement Procedures. There are limited circumstances in which waiver of the Procurement Procedure is permissible and the guidelines reinforce that waiver should not be sought as a substitute for proper planning. All proposed actions where the value exceeds £100,000 are required to be agreed with the Mayor prior to sign off and approval by the corporate director.

5.3 Each director's action requires prior authorisation by the relevant service head, the head of procurement, the chief finance officer and the monitoring officer before agreement by the corporate director. A template form is completed to record each director's action and these Records of Corporate Directors' Actions (RCDAs) must be maintained by the each directorate. The

legal implications of each of the individual decisions are provided as part of the decision making process and are recorded on the relevant RCDA.

- 5.4 Section 9GB and paragraph 1 of Schedule A1 of the Local Government Act 2000 make provision in respect of Mayor and Cabinet executives. Sub-paragraph 1(8) of Schedule A1 specifies what happens if for any reason the both the elected mayor and deputy mayor are either unable to act or their offices are vacant. In that case, the executive must act in the elected mayor's place or must arrange for a member of the executive to act in the elected mayor's place. In Tower Hamlets, Cabinet is the executive, i.e. the elected mayor and two or more councillors appointed to the executive by the elected mayor.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 This report is concerned with the notification of officers' discretions under Standing Orders and has no direct One Tower Hamlets implications. To the extent that there are One Tower Hamlets Considerations arising from the individual actions, these would have been addressed in the records of each action.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 There are no Sustainable Action for A Greener Environment implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1. The risks associated with each of the Corporate Directors' discretions as set out in Appendix 1 would have been identified and evaluated as an integral part of the process, which lead to the decision.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 There are no Crime and Disorder Reduction Implications arising from this report.

10. EFFICIENCY STATEMENT

- 10.1 The works referred to in the report will be procured in line with established practices, taking account of best value.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Exercise of Corporate Directors’ Discretions under Financial Regulation B8

Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000

List of “Background Papers” used in the preparation of this report

- Record of Corporate Director’s Actions

Officer contact details for documents:

- Stephen Adams, Finance Business Partner, Communities, Localities & Culture (CLC) Directorate, Ext. 5212

Originating Officers and Contact Details

| Name | Title | Contact for information |
|--------------|-------------------------------|-------------------------|
| Alimul Kadir | Accountant Financial Planning | Ext. 5224 |

Appendix 1: Exercise of Corporate Directors' Discretions under Financial Regulation B8

| Corporate Director | Amount | Description of Exercise of Discretion | Justification for Action | Contractor's Name and Address (incl. postcode) | Contact |
|--|---------------|--|--|---|--|
| Stephen Halsey Communities, Localities & Culture 059-2014/15 | 107,800 | Adoption of capital estimate for Petticoat Lane Market Improvements. This approval is in excess of the noting report threshold of £100k. | Allocation of Section 106 resources for market improvements in accordance with the Planning agreement. | N/A | Debbie Carpenter, Markets Ext. 1706 |
| Stephen Halsey Communities, Localities & Culture 073-2014/15 | 227,000 | Adoption of capital estimate for PRN Works at Westferry Road. This approval is in excess of the noting report threshold of £100k. | Confirmation of additional funding from TfL for the Principal Road Network. | J B Riney Ltd 455 Wick Lane London E3 2TB | Elise Boon, Transportation & Highways Ext. 6832 |
| Stephen Halsey Communities, Localities & Culture 111-2014/15 | 250,000 | Adoption of capital estimate for Borough Roads – DfT Pothole Fund. This approval is in excess of the noting report threshold of £100k. | Confirmation of additional funding from DfT for Potholes in the borough. | J B Riney Ltd 455 Wick Lane London E3 2TB | Margaret Cooper, Transportation & Highways Ext. 6851 |

| | | | | | |
|--|---------|--|---|---|--|
| Stephen Halsey Communities, Localities & Culture 144-2014/15 | 123,000 | Increase in capital estimate for Principal Road Renewal - Westferry Road (13-14). This approval is in excess of the noting report threshold of £100k. | Confirmation of additional funding from TfL for the Principal Road Network. | J B Riney Ltd 455 Wick Lane London E3 2TB | Margaret Cooper, Transportation & Highways Ext. 6851 |
|--|---------|--|---|---|--|